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ABSTRACT

The role of institutional self-evaluation is considered in the context of transition from central regulation to self-regulation in various higher education systems in Europe. A distinction is made between external steering, where regulations and decisions are made by a central state authority, to self-steering, where decisions and regulations are made on a decentralized level within a higher education system. Self-evaluation is seen as both an important process in creating an institutional self-description and as a central element in reflection activities on the institutional level. The theory of self-referential systems is reviewed, along with the organization literature on the organization/environment relationship. Recent developments in higher education in the Federal Republic of Germany and in the Netherlands are described as examples of the contradictions that can be traced in the development from central steering or regulation to self-steering or self-regulation. Developments at the University of Frankfurt and the University of Ulm are briefly considered. 36 references. (SW)

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The Meaning of Institutional Self-Evaluation within the Framework of a Self-Regulation System

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This paper was presented at the Twenty-Seventh Annual Forum of the Association for Institutional Research held at the Vista International Hotel, Kansas City, Missouri, May 3-6, 1987. This paper was reviewed by the AIR Forum Publications Committee and was judged to be of high quality and of interest to others concerned with the research of higher education. It has therefore been selected to be included in the ERIC Collection of Forum Papers.

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ABSTRACT

Various higher education systems in Europe are in the middle of a transition period from central regulation to self-regulation. In this paper the crucial role of institutional self-evaluation is stressed. Self-evaluation is not only regarded as an important process as regards to creating an institutional self-description, it is also a central element in reflection activities on the institutional level. The latter should form the basis of the reproduction of the system as a whole. Finally, recent developments in higher education in the Federal Republic of Germany and in the Netherlands are described as examples of the contradictions that can be traced in the development from central steering or regulation to self-steering or self-regulation.

1. External steering or self-steering in higher education

In a higher education system where a (central) government is almost totally responsible for the financing of national public higher education, the problem of steering the system will become overt sooner or later. By steering we mean a deliberate, meaningful and 'organized' decision-making that transcends individual decision-making concerning the demand for higher education. In a system where higher education is financed through a market type interaction the problem of organized steering will come up far less likely.

Since the problem of steering is one of the most important problems of the day in European higher education it is of interest to analyze possible answers to this problem. In looking at possible answers, we have distinguished a dimension from external steering, where regulations and decisions are made by a (central) state authority, to self-steering, where decisions and regulations are made on a decentralized level within a higher education system.

The state-regulated higher education system constitutes one side of this dimension. The state is responsible for regulations concerning financial matters, educational matters, personnel policy, student affairs, etc., of individual higher education institutions. It does hardly make a difference whether there is one central state authority (as in the case of the Netherlands) or a number of decentralized state levels to take over the decision-making initiatives (as in the case of the Federal Republic of Germany). In a state-regulated model individual faculty members can be rather autonomous with respect to the organization of their teaching and research activities, but they are always highly dependent on regulations 'from above'.

The so-called buffer body - regulated higher education system can be considered as a step towards self-regulation. Important, binding decisions, e.g. with respect to allocating funds to institutions, are made by a more or less peer-recruited body (as is the case in England & Wales). Such a body can be looked upon as an 'arm of the government' or as an instrument of voluntary coordination of (self-steering) institutions.

The other end of the distinguished dimension is formed by a self-regulating system of autonomous institutions. The individual institution is the most important decision-making level in this system.
As mentioned above, higher education in the Netherlands and in the Federal Republic of Germany are examples of state-regulated systems.

However, in both countries it is widely recognized that the current steering of higher education is no longer satisfactory. As a consequence of this, institutions in both countries may have the opportunity to become more autonomous. In such a situation they will be moving into the direction of a self-regulating system. Institutional self-evaluation or self-study will play an important role in the enlargement of the self-regulatory capacity of institutions. Because of this a sound institutional self-study system can be regarded as an important condition for the introduction and further development of self-regulation in higher education in the two mentioned countries.
Before looking at concrete self-steering and self-evaluation/self-study problems of higher education in the Netherlands and in the Federal Republic of Germany, we first want to analyze the importance of self-evaluation in a self-steering system from a theoretical point of view. We start with the theory of self-referential systems, based on ideas of Luhmann.

2. Self-steering, self-evaluation and the theory of self-referential systems

Our starting-point is the higher education institution as a social system. According to Luhmann, the social systems theory experienced two important changes with respect to its leading paradigms. 'First, the distinction of the whole and its parts was replaced by the distinction of system and environment'.
(This view of an institution in its higher education and societal environment is common and establshed nowadays).
'Second, the concept of self-referential systems was used to replace the older input/output analysis of so-called open systems' (Luhmann, 1983, p. 992).

What does the theory of self-referential systems suggest? Of course, a social system exists within an environment and it is not independent of this enviroment. But to be built, to be differentiated from the environment, and to be reproduced, a social system continually refers to itself. It defines and uses its distinction from the environment on the basis of the process of self-reference.
'The concept of a self-referential system reconstructs the difference between system and environment as part of the internal processes of self-reference. The system continually refers to itself by distinguishing itself from the environment' (Luhmann, 1983, p. 992). This distinction is required by the reproduction of the system and it is 'introduced into the systems by self-observing, self-

describing operations' (Luhmann, 1984a, p. 63). 'Self-reference means that a unity refers to its own identity; that it copes with its own complexity; that it uses a simplified model of itself to orient its own operations' (Luhmann, 1984a, p. 66).

A system's identity and the nature of the difference between a system and its environment are not to be imported from the environment, but they imply decisions to be made by the system itself (Luhmann, 1986, p. 174). The conclusion might be drawn that the theory of self-referential systems includes a shift of the focus of system theory from control to autonomy.
'The guiding interest is no longer how to control systems, how to plan and implement changes, or how to overcome resistance. The main problem is rather to understand how a system can manage its own reproduction within an environment which is not in itself attuned to the requirements of the system' (Luhmann, 1983, p. 994).

So far we can conclude, that the theory of self-referential systems suggests a social system to be free to define its identity and difference from its environment and that for this continuous reproduction it needs and uses operations of self-description. Social systems are identifying themselves with a simplified image of themselves (Luhmann, 1982, p. 135). The planning of a system and its self-evaluation may be considered as activities to create a self-description. The former is directed at the future, the latter at the past. Both are drawing closer, as March and Olsen stated: 'A plan can often be more effective as an interpretation of past decisions than a program for future ones. It can be used as a part of the efforts of the organizations to develop a new consistent theory of itself that incorporates the mix of recent actions into a moderately comprehensive structure of goals' (March and Olsen, 1976, p. 80).

The self-evaluating and self-controlling activities can be regarded as necessary for the reproduction of a system. From this we derive our first assumption:

> If a higher education system is to be steered according to the concept of self-steering or self-regulation, the existence of institutional self-evaluation systems is a premise.

So far the institutional level is emphasized. A self-evaluating institution does not need external steering of its own. But what about the steering of the higher education system as a whole in the societal context? What does it mean if we confront (governmental) steering with

institutional self-steering? Institutional decisions on its own self-description, i.e. its reproduction, have to imply deliberately at any time decisions on the reproduction of the higher education system as a whole, i.e. its function in society. An institution has to be aware of, consider and demonstrate overtly how its decisions are intended to contribute to this overall reproduction.

According to Luhmann self-reference and self-describing operations just occur when a system reproduces itself (Luhmann, 1984b, p. 604). Whereas a more pretentious form of self-reference, called reflection or self-reflection, needs special and deliberate efforts of a system (Luhmann, 1984b, p. 617). Reflection is to be considered as the ability of a system to look at its identity not only form its own inside system perspective, but at the same time from an outer perspective of the environmental system as a whole. Thus reflection tends to combine the rationality of the subsystem with the rationality of the whole system, based on the initiatives and operations of the subsystem.

Willke suggests on the basis of this notion of reflection that the gap between need of steering and lack of steering capacity in modern society should be filled with reflection of the sub-systems as a mode of societal steering (Willke, 1983, p. 9, and 25; Compare Braten's boundary position: Braten, 1986, p. 201).

Self-evaluation of higher education institutions in this broader sense of reflection contains not only self-steering activities of an individual institution, but also self-steering of the higher education system as a whole, based on the initiatives of and the deliberate decision-making on the institutional level.

It can be stated that self-steering comprises an enhancement of the performance of the whole system. Not only are the total efforts of evaluation for improvement larger in a decentralized self-steering or self-regulating system than in a central control or state-regulated system, also the motivation for improvement is greater in a self-steering system (Kells, 1983, p. 48; Manz, 1986). From this we derive our second assumption:

> If in a self-regulating higher education system the system as a whole is reproduced, it should be based on reflection activities on the institutional level.

3. Transcending contingency theory. The self-steering perspective of organization theory

In a self-steering perspective on higher education an understanding of the nature of the relationship between an institution and its environment is crucial for an understanding of the importance of reflection activities on the institutional level for the reproduction of the system as a whole. In the literature on organizational behaviour the relationship between an organization and its environment has been (and is) one of the major topics. Therefore we will analyze in this section recent discussions in the organization literature on the organization/environment relationship. We want to demonstrate the necessity of an active attitude of an institution in a higher education system that can be described as self-regulating and self-steering. Also in a period of transition, when a higher education system is moving from (central) external steering to self-steering, institutions should be aware of the strategic importance of an active institutional attitude concerning its relationship with the environment.

One of the first theoretical approaches that tried to explain the relationship of an organization with its environment is the contingency theory. This theory suggests there exists a relationship between the structure of an organization and contingencies like the organizational environment (Lawrence & Lorch, 1967). More recently the discussion on the relationship between an organization and its environment has concentrated on the subject of organizational adaptation. This discussion is not only concentrated on the fact that there exists a relationship between an organization and its environment, it is also directed at analyzing this relationship.

Two major approaches can be distinguished in the adaptation discussion (Astley and Van de Ven, 1983). These approaches are considered being mutually exclusive, competing explanations of organizational adaptation (Hrebiniak and Joyce, 1985).
The first approach suggests that organizations adapt to their environment on the basis of a random or evolutionary development of organizational characteristics that best fit the environment (Hannan and Freeman, 1977). Change is regarded as being environmentally determined.
The other approach suggests that adaptation is a process of managerial choice and selection (Child, 1972). In this approach change is viewed as being organizationally determined. Following Astley and Van de Ven (1983), Hrebiniak and Joyce (1985), and Weick (1979), we argue that these approaches are not mutually exclusive, and that in order to

analyze organizational adaptation the interaction of choice and determinism must be studied. Our argument implies that it is possible for managers and their institutions to make choices in every decision-making situation (Child, 1972; Hrebiniak and Joyce, 1985; Weick, 1979). On the other hand, in every decision-making situation it is necessary to take the most important features of the actual environment into account (Aldrich, 1979; Hannan and Freeman, 1977). An institution can to some extent shape its own destiny as well as it shaped by external forces (Keller, 1983).

This approach is supplementary to the self-referential systems theory. It suggests that a social system is free to make strategic choices about its reproduction, but that the dominant features of the environment at least have to be considered during strategic decision-making processes. Because, as mentioned before, an organizational environment is in itself not attuned to the requirements of the organization, the question rises: 'How can an organization transform (environmental) noise into (strategic) information which keeps in motion the self-referential network of internal processes?' (Luhmann, 1983, p. 994).
In order to be able to answer this question we have to look at the way in which institutional decision-makers can deal with strategic choice circumstances; or in other words, to what extent an institution can shape its own destiny.

On the basis of recent research (Miles and Snow, 1978; Miles, and others, 1978; Miles and Cameron, 1982; Snow and Hrebiniak, 1980) it is possible to distinguish three types of strategies institutional decision-makers can follow in decision-making circumstances. The groups that go together with these strategies are: defenders, analyzers, and prospectors.

Members of the group called the defenders are striving for stability within their institution. They try to fight for quality, order and continuity. In dealing with environmental demands they behave actively defensive. Because of their defensive attitude they have trouble with changes. In running their institution they pay more attention to the efficiency than to the effectiveness of their organization.

The analyzers are cautious followers of innovators. They keep analyzing their environment and their finances. They want to keep up with the changes in their environment, but they let other institutions deal first with these changes, before they adapt their own institutions.

The third group, the prospectors, are trying constantly to find and exploit new markets and services. They invest a lot in scanning the environment. Prospectors frequently create change in their environment instead of following it.

A fourth group that can be distinguished can not be called strategic. This group consists of reactors. The members of this group show a behaviour in decision-making circumstances that is inconsistent and unstable. They tend to react inconsistently to external pressures. Only an organization in a more or less protected and stable environment can survive with purely reactive decision-makers.
In higher education in Europe till recently the characteristics attached to the fourth group were the most widespread and common among institutional decision-makers. Traditionally decision-makers were tied to binding regulations of the central state authorities. It is not surprising that in general they were not able to change their decision-making attitude into a more strategic one.

This leads us back to our question. It can be stated that only active institutional decision-makers are able to transform (environmental) noise into (strategic) information. Passive reactors do not think and act strategic, and they are not able to distinguish strategic information from other information.

From the above we derive our third assumption:

> If an institution wants to make sound strategic decisions about its reproduction, the institutional decision-makers must be active defenders, prospectors or analyzers, and not passive reactors.

As a consequence of this effective managers must not only have an insight into their own work (Mintzberg, 1975), they also must have an insight into the internal processes of their organization. In the latter institutional self-evaluation will play an essential role.

So, in a self-regulating higher education system institutions should have sound self-evaluation systems, the reflection activities on the institutional level should form the basis for steering the system, and institutions who want to survive should have active, strategic thinking (central) decision-makers.

We will now look at the problems the higher education systems of the Netherlands and the Federal Republic of Germany face in moving from state-regulation to self-regulation; or in other words, from external

steering to self-steering.

4. Transitional processes in European higher education: from state-regulation to self-regulation?

We have argued that self-evaluation is crucial for the existence of self-regulation in a higher education system (that includes self-steering of institutions and self-steering of a higher education system as a whole).
Although European higher education systems are provided with a certain amount of self-steering capacity, they still are - at least the Continental European ones - strongly state-regulated systems.
At the moment there are in various countries strong signs in support of the desire for a greater institutional autonomy. But the indications of a shift from central regulation to self-regulaton are very contradictory. We want to stress the role self-evaluation, in the broader sense of reflection, can play in supporting this transition.
Some crucial elements of the transition period can be seen in figure 1.

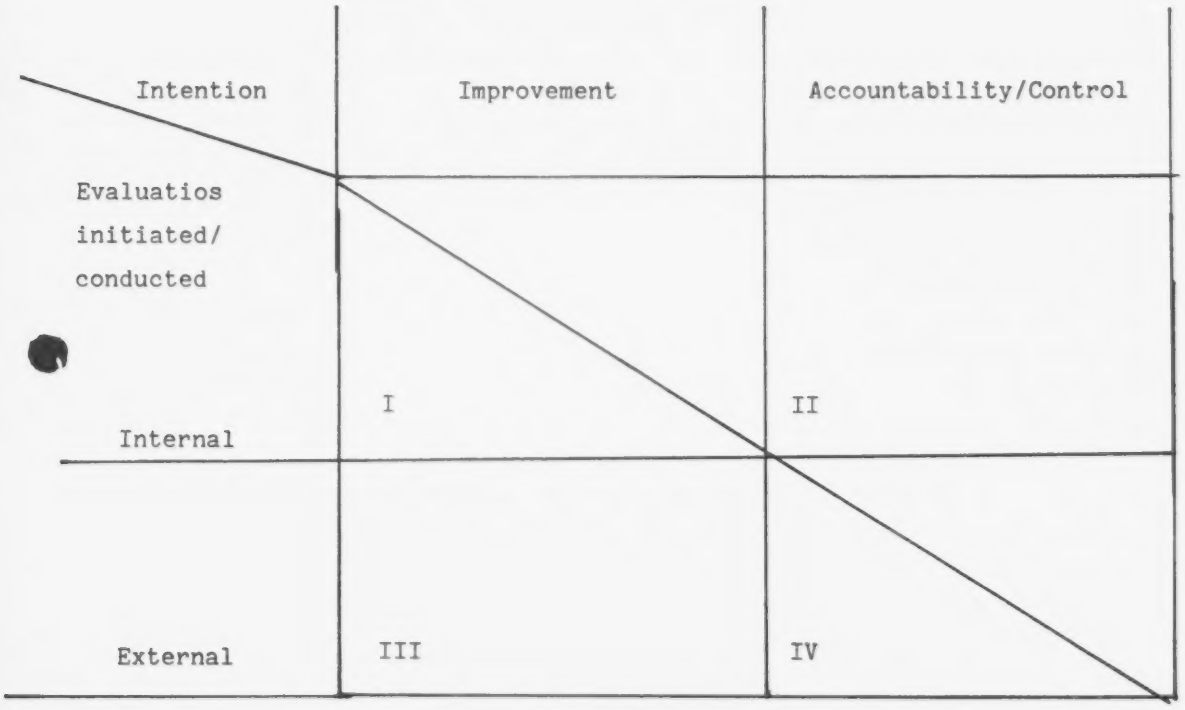


Figure 1: The Rationale behind institutional evaluation

The basic rationale behind the figure are the questions:

1) Where and by whom are evaluation processes within higher education institutions initiated?
2) What is the major intention behind evaluation processes within institutions?

Broadly speaking the possible answers to these questions can be divided into two categories. With respect to the first question the answers can be:

- Internally, or
- Externally.

With respect to the second question the answer categories are:

- Evaluation directed at improvement, and
- Evaluation directed at accountability and control.

With this in mind it is possible to distinguish four quadrants, each with its own characteristics. These characteristics are:

Quadrant I: Evaluation within institutions can be described as institutional self-study directed at improvement. The higher education system within which these institutions can be found is a self-steering system.

Quadrant II: Evaluation within institutions can be described as institutional self-study directed at accountability. The higher education system can be described as a combination of a self-steering system and a state regulated system.

Quadrant III: Evaluation within institutions can be described as institutional evaluation, initiated and/or conducted externally, directed at improvement. The higher education system is a state regulated system with some elements of self-regulation in it.

Quadrant IV: Evaluation within institutions can be described as institutional evaluation, initiated and/or conducted externally, directed at accountability/control. The higher education system within which these institutions are found is a state regulated system.

This figure suggests a diagonal development from a state regulated system (Quadrant IV) to a self-regulating system (Qudrant I). However, another development seems possible in European higher education. Higher education systems could also develop into a combination of external steering and self-steering (Quadrant II). It is up to the institutions themselves whether this development will take place or not. We will come back to this later.

The state-financed (continental) European higher education systems are, as mentioned above, extensively state-regulated. For everything

to be regulated there seems to exist a paragraph in a state higher education law. But although there are many staff-members at the Ministries of Education and Science concerned with higher education matters, there does not seem to exist an emphatic decision-making activity. The rather moderate decision-making activity may reflect a general incapacity of steering scientific matters from a central state level. As the institutional level is rather weak, state regulated systems leave a certain amount of autonomy to the individual faculty member. The latter is referred to as the guild authority (Clark, 1983, p. 113). This individual autonomy, however, does not provide the whole system with significant and far-reaching deliberate decision-making in the above mentioned sense.

The state's interest in higher education seems to be rather low. This is an important challenge and a chance for higher education, while at the same time making higher education extremely vulnerable in periods of financial retrenchment. Concerning higher education, politicians seem to be interested in two kinds of numbers only: student input/output numbers, and expenditure figures, the latter only thought of in categories of 'more' or 'less'.
The political interest in student numbers fluctuates between: 'higher education as a civil right for everyone' (with rather unlimited resources according to social demand) and: 'higher education for a chosen few' (although more based on financial than on educational considerations).
The interest in expenditure is characterized just by more or less expenditure, and is in general guided by other goals (financial ones) than educational ones.
It can be stated that in a growing number of European countries expenditure driven principles dominate all decision-making processes on the state level concerning higher education (Neave, 1984). An imminent decline in student numbers due to demographic developments seems to be less challenging for higher education than financial retrenchment operations as a consequence of these demographic developments. Several European governments seem to cut higher education budgets first, before formulating arguments or policies that could legitimate the financial decisions.

There are several contradictory aspects in state behaviour towards higher education in recent retrenchment periods in Europe:
- On the one hand an attempt can be observed to strengthen the external (central) control mechanisms in higher education. The state authority demands what might be called 'accountability-information' and the use of performance indicators in order to enhace its capacity to steer and control the higher education

system. This value for money approach is characterized by a short-term labour market and vocational training orientation of the educational tasks of the higher education system (a shift from a social demand to a manpower approach). An increasing amount of funds is earmarked for achieving these goals and for rewarding institutions that behave according to this pattern. Budget cuts tend to be administered from the central level.
If this kind of behaviour is or becomes the dominant force behind a national or state higher education policy, the system in question will most likely develop into the direction of quadrant II (see figure 1).

- On the other hand some doubts can be noticed at the state level whether the present problems of the higher education world can be solved adequately by a central decision-making and regulating body. A call for more autonomy and responsibility for higher education institutions can be heard, not only in the institutions themselves, but also in political circles. This 'devolution of decision-making' encompasses not only an enforcement of the decision-making capacity of the academic world, but also of the influence of e.g. the industry and relevant groups in society. Budget cuts are characterized by delegating the 'dirty work' from the state level to the institutional level or to buffer bodies. The block grant character of the budgets will be strengthened.
A dominance of this kind of governmental behaviour within a higher education system will probably cause a development of the system in question into the direction of quadrant I (see figure 1).

The contradictory retrenchment period, experienced by European higher education systems, is characterized by a widespread feeling of a need for organized decision-making (steering) on the one hand and the feeling of a considerable lack of a decision-making (capacity) of this kind on the other hand. It is essentially a discussion on a new concept of the higher education structure.

We stress the need to fill, on the institutional level of the higher education system, the gap of organized decision-making with the kind of self-evaluation we called self-description. It conceptualizes the institutional perpective as well as the perpective of the whole system.

This leads us to our fourth assumption:

> Institutional self-evaluation or self-study is not only crucial for the existence, but also for the building up of a self-regulation system in a higher education system.

5. The German Case

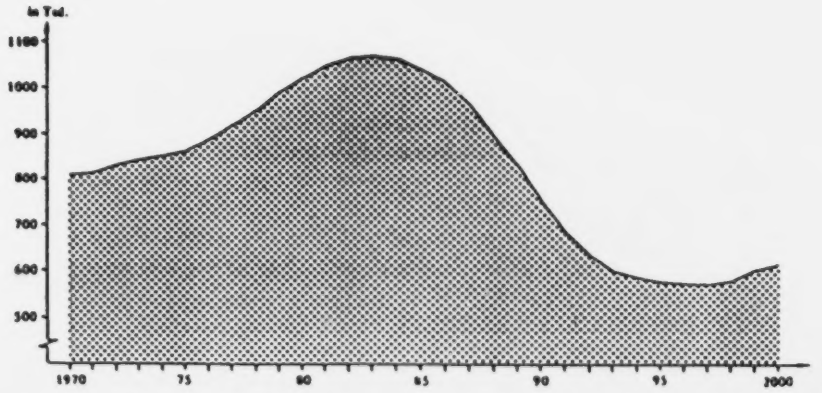
5.1 Student numbers

In the late sixties and early seventies the nature of the German higher education policy can be described as being demand (or student number) driven. This policy, however, was not a consequent and clear-cut one. The social demand for student places is exceeding, up to present, the actual number of student places available according to building and personnel resources.
The goal of 850.000 student places (according to building capacity) has been fixed and has never been raised, neither in governmental plans, nor in reality, although German higher education has at the moment an enrollment of about 1.3 million students.
In contrast to this fixed number of student places, in 1977 the policy to open higher education was announced by the states (BMBW 1977), with some consequences to be considered:

- Not all the disciplines were kept (or made) open. Some could apply a 'numerus clausus' (e.g. medicine).
- Students are not allowed to choose the university of their preference, but they get a place to study somewhere from a central 'distribution office for student places'.
- The unit of resource (the average level of funds allocated for one student) decreased necessarily (BMBW, 1985/86, p. 191).
- There are doubts whether the extent of research activities could be kept at a constant level.

One reason for this financial tightness (in terms of investments in infrastructure for student places) is the expectation of a dramatic decline in student numbers in the late eighties and early nineties, on the basis of demographic developments. The first signs of this drop were experienced in 1984 (figure 2).
The policy chosen might be called 'tunneling through the hump', providing the universities with some relief regarding restricted overload funds and positions.

Figure 2: Development of the age-group of 18-20 year old population 1970-2000



Source: BMBW, Grund und Strukturdaten, 1980/81 u. 1985/86

5.2. Budgets

The German higher education system is decentralized in the sense that it is organized by eleven states separately. Only investments in buildings and high value equipments are a joint financial effort of the respective states and the federal government.
The funds are allocated from the state level to the universities in the form of state budgets with a detailed and binding line - item structure and with every position being fixed separately.
The budget cuts that were carried out up till now were implemented continuously and on the decentralized state-level. As a consequence they were not accompanied with so much 'noise' as was the case with recent retrenchment operations in the United Kingdom and in the Netherlands (see section 6).
Some figures with respect to recent trends in German higher education budgets are shown in table 1:

Trends in German HE Budgets

Year	Students (1)	Scien- (2) tific Personnel	Recurrent (3) Funds Mill.DM		Investments (4) Mill.DM	Staff/ Students (5)
1975	840757	77158	1235	100	4101	10.9
1980	1044210	88030	1267	102.6	2155	11.9
1981		90491	1230	99.6	2098	
1982	1203121	91859	1100	89.1	2075	13.1
1983	1273168		1125	91.1	2071	
1984	1314201	93228	1211	98.1	1969	14.1

Table 1: Trends in German higher education budgets.

1) Home and Foreign Students, Source: BMBW; Grund- und Strukturdaten 1985/86, p. 128.
2) Source: Wissenschaftsrat, Eckdaten zur Lage der Hochschulen, Stand 1985, p. 32.
3) Real terms, deflation on the basis of the index for public expenditure (1980 = 100). Source: Wissenschaftsrat: Eckdaten zur Lage der Hochschulen, Stand 1985, p. 37.
4) Joint effort of state and federal state level (HBFG). Source: Wissenschaftsrat: Eckdaten zur Lage der Hochschule, Stand 1985, p38
5) Column 2 / Column 3.

Investment expenditures declined rather dramatically from DM 4.1 billion in 1975 to DM 1.9 billion in 1984. The recurrent funds were picking up after a rather heavy decline in 1982 and the student/staff ratio continuously worsened from 10.9 in 1975 to 14.1 in 1984.

The trends concerning the decision-making structure, emerging from financial retrenchment, are, as could be expected, not uniform all over the country, but they are rather contradictory:

- Some states tend to relief the tight line - item structure of the budgets and give the universities more freedom with respect to spending the funds concerning the line-items.
  The present results of these tendencies, however, are far from being block grants for the universities.
- Some states leave it up to the university's discretion how to carry out the budget and position cuts, imposed on an annual basis.
- Another state implemented from the central level a statewide reduction and redistribution of university positions.
- A general tendency can be observed towards more earmarked funds (research, 'new blood'-programs, post-graduate education). This might be a development at the expense of the institutional budgets.
- Although the recurrent funds did not decrease continuously, the end of the budget cuts is not yet in sight, especially when keeping in mind the dramatic decline in student numbers, expected for the late eighties/early nineties.

5.3. Concepts of change

Recent changes in German higher education were more changes in speech, than changes in reality. The higher education community (including politicians concerned with higher education) seems to be troubled more by future student number decline and future retrenchments than by present financial stringency.

In 1983 the federal minister of education and science proposed an implementation of more competition and differentiation between institutions on the basis of an enlarged institutional autonomy. However, the federal minister lacks competencies to restructure German higher education. Higher education is primarily run by the eleven states. A federal minister can only indicate within a so-called general law of higher education (HRG) some elements of the future structure and development of the higher education system.

In 1985 a new general higher education law was passed. The signs as regards to more institutional autonomy within the new law are rather weak:

- Whereas the old law tried to fix a central elaboration of curriculae

in all disciplines all over the country, the new law leaves this task to the institutions.

- The attraction and use of grants and contract money for research is liberalized, but it is realized in the form of strengthening the abilities of individual researchers instead of a strengthening of the institutional level (following the old German tradition).
- For selected programs, universities shall be given the right to choose their students on the basis of their own admission requirements.
- Paragraphs describing a whole system of planning down from the state level to the institutional level, which were never implemented as intended by the old law, are now abolished completely by the new law.

The discussion on more competition in the university system concentrates on one central theme: universities should provide for more information on their performance (on the basis of e.g. performance indicators). On the basis of this information the fund allocation in higher education should take place. How and by whom the information should be used, is not very clearly conceptualized in the discussions. So universities might be afraid that without any change toward more institutional autonomy the steering capacity of the state level will be enhanced.

Whatsoever, the concepts are weak and not comprehensively elaborated, but the path toward more institutional autonomy as the core concept of a higher education self-steering organization has been opened, at least as one of the possible alternatives coming out of contradictory processes. It is now up to the German universities to find their way to self-descriptions that incorporate their responsibility for the whole system.

We want to finish the review of the German case with investigating some examples of the self-description efforts of German universities. For an American audience, these examples will not sound unique, for the German higher education system they are new, because it is not unusual, that German universities do not know 'where they are' and 'where they want to go'. They are characterized by a considerable lack of 'corporate identity'.

University of Frankfurt

The University asked an external consulting corporation to develop a scenario of the university by the year 2000. The guiding and underlaying idea of the scenario should be the university as a highly

innovative and responsive institution.

The consultants decided to contrast two scenarios, one showing the university on the path of mediocrity, and the other with outstanding efforts to meet the challenges the university is facing from its environment.

The most important recommendations, coming out of the scenarios are:
- Concentrate the locations of the university in the town.
- Try to make the university visible in the town. Coordinate with the town, to develop the university into a cultural centre for the town and a considerable factor for industry and commerce settlements.
- Concentrate teaching and research efforts. Implement quality control incorporating external review persons. Find out strenghts and weaknesses of the university sub-units. Make the sub-units deliver their own self-descriptions and development plans.
- Try to develop a 'corporate identity' of the university as a whole and communicate better about the goals, objectives and achievements of the university with the public.

The same university asked another consultant to develop an overall concept and strategy for the use of the university buildings. The following assumptions were premises in this matter:
- an enrollment decline due to demographic factors;
- a concentration of instruction and research efforts;
- a decicion concerning certain research priorities;
- the visibility and integration of the university into the town.
(Arras, H.E. and W. Bierter, 1986).

University of Ulm

The university senate passed a concept of the 'developmental perspectives of the university by the year 2000' unanimously. The concept was prepared by a subcommittee of the senate and used questionnaires, interviews and discussions in the senate and departments to derive its recommendations for the university structure and future activities. The publicly available report states priorities in research and instruction areas and considers at the same time extracurricular aspects of the attractiveness of the university (in face of the enrolment decline perspectives of the 90ies).

The university uses a 'goal-tree' for its self-description of future developments, where the top is built by the statement: 'The university should be able to keep and enhance a successful position of 'avantgarde' in research, teaching, and relevance for practice on a regional, national and international perspective.'

The concept paper of this university became a model in that state. The higher education minister has agreed with the other eight universities to deliver a similar programmatic statement. These statements will be thoroughly regarded by an international expert group, that received the order of the minister to develop an overall research concept for this state (Entwicklungsperspektiven der Universität Ulm bis zum Jahre 2000, 1986).

The president of another university has put a sub-committee to work, to define the future structure of the university. The university had undergone several budget cuts which were never guided by a clear structural concept. Accompanying the enrolment declines of the 90ies new budget cuts are expected.
At the same time with the enrolment decline a considerable rate of retirement of faculty members will take place in the 90ies.
The senate sub-committee has got a very difficult task, as the diversity and multitude of even small disciplines the university is offering, are on the one hand regarded as a special factor of attractiveness of this university, while on the other hand concentration is stated as an objective of the efforts to be undertaken. The sub-committee is asked to include the university administration into the new structural concepts.

A group of other universities wanted to start comparable activities, that might be summarized under the term: 'marketing approach'. These universities asked themselves, what would happen to their respective institutions as a consequence of the dramatic decline of the age group of the 18 to 20 year old population. They investigate their specific clientele and work on marketing concepts:
- enhancing the attractiveness of the university
- find out market niches
- investigate the attractiveness of the unversity graduates on the labour-market
- enforce publicity
- etc.

6. The Dutch case

6.1. Concepts of change

The Dutch higher education system, as mentioned before an example of a centralized state-regulated system, consists of three sectors: the university sector, the higher vocational education sector, and the recently established open university (the higher distance education sector). Since the beginning of this decade several major restructuring operations have been implemented in the higher education system, while also an important change concerning the (central) steering of higher education has been proposed. The operations and the (proposed) change concerning the steering of the system show elements of the contradictions mentioned in section four.
The most important restructuring operations for the university sector are the introduction of a new educational structure for universities, the so-called two-tier structure (in Dutch: Twee-fasenstructuur); and two extensive retrenchement operations: in 1983 the TVC (is Task-Allocating and Concentration) operation, and in 1986 the SKG (is Selective Shrinkage and Growth) operation.
The face of the higher vocational education sector was changed drastically by the STC (Scale-enlargement, Task-allocating and Concentration) operation. This operation was confirmed in 1986 when the new Higher Vocational Education Act came into force.
The underlying ideas of the new steering philosophy for higher education were written down in a ministerial note called HOAK (Higher education, autonomy and quality).
What are the major elements of the mentioned operations and of the new steering philosophy?

6.1.1. The university sector

The two-tier structure :

Already in 1963 the then minister of education and science established the basic problem of Dutch university study: the period of study is too long and the student attrition is too high. In the years after 1963 several plans for far-reaching reform were introduced. Government wanted to restructure university education, buth the universities were not in favour of radical changes of their educational structure. The (political) discussion between government, parliament and the universities about the educational structure of the Dutch university sector lasted till the regime of Pais, who became minister of

Education and Science in 1978. He managed to end the discussion for the time being by having a bill about the university educational structure adopted by parliament. The main characteristics of the bill 'Proposed Two-tier Structure' were:

- The introduction of a first tier (or phase) with a duration of the course of four years. This tier would end with a so-called doctoral exam (which can be compared with a Master's exam).
  In principle everyone qualified is allowed to enroll in the first tier. The first tier is divided in a one-year foundation course and a course with a duration of three years (the doctoral).
  The foundation course (called propedeuse) has three functions: an exploratory, a referring and a selecting function. The doctoral course should, next to subject-oriented, also have an orientation towards a broad societal goal.
- The introduction of a selective second postdoctoral tier (which can becompared with the postgraduate). This tier is open for the best graduates of the first tier and, under certain conditions, for graduates from the higher vocational training sector. The faculty is responsible for the admission to the second tier, which has a maximum duration of the course of two years.
- The introduction of a limited enrollment period of six years for all students of the first tier. The second tier has a maximum extension of three months.

In March 1981 the 'Two-tier structure Act' was entered into the statute book. In 1982 the first cohort of two-tier students enrolled in the Dutch universities (Bijleveld, and others, 1987).

After 1982 the nature of the second tier has been changed radically. The minister of Education and Science came to an agreement in 1985 with the business commmunity about the financing of second tier courses with a vocational training character. Government finances only the second tier research training courses with a duration of four years.
The position of the future second tier research training graduates on the labour market is at the moment subject of much speculation and discussion. The latter is one of the reasons why it is not very likely that the best graduates of the first tier are willing to enroll in the second tier. The first signs of this (negative) development can already be observed: at the moment it is very difficult for most faculties to attract adequate candidates for the second tier research training positions.

The Task-allocating and Concentration operation:

The first of the two far-reaching retrenchment operations in the university sector started in 1982. The most important (material) goals of the operation are:

- The saving of Dfl. 258 million in 1987 by a process of task-allocation and concentration.
- The maintenance (or if possible the improvement) of the quality of scientific education and research.
- The realization of a number of concrete innovations.

The rationele behind this retrenchment operation was the fear that a continuation of the until then common proportionally cut back measures would lead to a further rigidity and loss of quality of education and research in the university sector.

There were three possible strategies with respect to the realization of the goals of the operation:

1. The minister decides on the allocation of tasks, after consulting the universities and the Academic Council (a consultative body of the universities);
2. The minister develops a task-allocating plan, and discusses the plan with the Academic Council;
3. A coherent task-allocating operation will be started, and the universities set up a task-allocating committee that will develop a consultative plan.

The universities chose option number three, they wanted to be the captain of their own soul.

The task-allocating committee started in October 1982. The committee consisted of a representative of every university, two external advisers, and an independent chairman. The committee concentrated the possibilities of task-allocating round several possible measures:

- concentration (closing down of disciplines);
- regional cooperation;
- the exchange of tasks;
- disposal of parts of the university organization.

The negotiations between institutions about the division of the retrenchment assessments took less than three weeks. The proposals concerning the disciplines to be closed down and the other measures were hardly made on the basis of quality-information or with the help of performance indicators. The lack of quality control and self-evaluation systems within universities led generally to proposals that were based on administrative and political considerations instead of considerations with respect to content.

February 1983 the committee published its proposals, including the closing down of over 40 disciplines. The minister stated that the report of the committee would be the starting-point for the rest of the retrenchment operation, although he was critical of some aspects of the report. In his opinion it did not contain, amongst other things, enough proposals concerning concentration, and it did not contain enough innovative proposals.
In May 1983 the Minister published his view on this task-allocating and concentration operation. Just like the proposals of the university committee the ideas of the minister were also not based on sound information concerning quality. The most important differences between the committee proposals and the policy intentions of the minister concern:

- medical science;
- dentistry and pharmacy; both retained one location less than in the proposals from the university committee;
- arts: more concentration, less savings;
- social sciences: higher savings;
- interuniversity institutions: operate more carefully;
- more attention for innovations and for quality of research.

After publication of the intentions of the minister negotiations between the universities and the minister followed about who should hand in what. Complicating factors in the negotiations were the lack of clarity with respect to personnel matters, the stagnation of the allocation of tasks in the medical discipline, and the pressure of time.

An important role was played by the funds reserved for innovation. The minister differed in opinion with the Academic Council about the role of government in higher education. The Academic Council took the position that the governmental role should be limited to setting up conditions. They considered it being undesirable that government interfered in matters concerning content without adequate motivation. The minister's opinion was that government has a role concerning the stimulation of innovation in (academic) education and that from that point of view government may interfere in educational matters with respect to content.

In July 1983 the final policy intentions of the minister were published.
They contained:

- The shutdown of 53 disciplines;
- The merger of three dentistry faculties in the western part of the country (savings Dfl. 25,7 million);
- Closing down of two establishments Pharmacy (savings Dfl. 9,7

million);
- Ending of four faculties of Philosophy;
- Cutting of Social Sciences (Dfl. 35 million) including the shutdown of the discipline 'andragologie' (can be compared with adult educational theory);
- Savings concerning Arts (Dfl. 20 million) and Medicine (Dfl. 55 million).

The minister expressed that the TVC operation would remain the only retrenchment operation of this kind till the nineties.

After the publication of the policy intentions negotiations were worked out with the universities concerning policy agreements about the ministerial intentions. This process of task-allocating and concentration came to an end in February 1984 with the adoptation by parliament of the temporary Law Task-allocation and Concentration, clarifying the procedures and competencies in this matter (Ligthart, mc-Daniel, e.a., 1986).

The Selective Shrinkage and Growth operation :

In contrast with his explicit promise in 1983, the minister of Education and Science announced in 1986 a new retrenchment operation for the university sector. And just like during the TVC operation the minister gave the universities the chance to come up with proposals concerning the way the retrenchment figure of Dfl. 130 million should be realized. But, in contrast with the TVC operation, the universities refused to formulate the initial proposal and left the first round to the minister.

In September 1986 the minister published his first concept-proposals. They were oriented towards medicine and dentistry, arts, and the social sciences. The proposals included the closing down of two dentistry faculties and one complete arts faculty, and concentration and closing down of a great number of other disciplines. The detailed proposals were welcomed by a storm of indignation and protests. In contrast with the protests during the TVC operation, the protests were now directed against the minister and not against the universities. The protests were not made because of the height of the retrenchment figure. (The Dfl. 130 million was a relatively small part of the Dfl. one billion the whole Dutch educational sector had to cut back). They were made because of the detailedness of the proposals and because of the lack of adequate foundations of the proposals.

As a consequence of the protests the minister appointed four independent advisers (one for each of the four sectors) who published in November 1986 their advises concerning the proposals of the minister. The minister adopted the outline of the advises. Among other

things he appointed so-called visitation-committees for several disciplines. It can be stated that the actual retrenchment measures were formulated by the independent advisers and by the visitation committees, and not by the minister. These measures contain an enormous number of small interventions, budgetary shifts, and the like (Metze, 1987).
The process of task-allocation and concentration that hardly started after the TVC operation, barely received a new impulse of the SKG operation.
These operations showed that Dutch government is not able to interfere successfully in detail with the day-to-day operations of the universities. Restructuring of the university sector (including task-allocation and concentration) can only be done by (or with the help of) the universities themselves.

6.1.2. The higher vocational education sector

Until recently the higher vocational education sector was a relative unknown kind of education in the Netherlands. There were more than 350 different schools in this sector, the majority of them with one type of vocational training, e.g. technical education, art academies, teacher training for primary and secondary education, nursing, etc. In 1985 this sector had an enrollment of more than 150.000 full-time and about 55.000 partime students (the thirteen Dutch universities had a total enrollment of about 165.000 students in that year).
One of the reasons for the relative obscurity of the sector (next to the existence of the large number of rather small schools) is that it did not have its own law, it fell under the legislation of the Secondary Education Act.
In order to change this situation the minister of Education and Science initiated in 1983 the Scale-enlargement, Task-allocating and Concentration operation. The first part of this operation was a merger-process. The minister decided that higher vocational education schools should have a minimum enrollment of 600 students. Smaller schools would no longer be financed by the government from 1986/87 on, with the expception of teacher training schools for primary education, which were allowed to have a minimum enrollment of 250 students.
The merger-processes that started after the announcement of the operation by the minister were a success. In less than three years forty of the 350 schools have remained independent, the others have been merged into some fifty institutions (see table 2). The sector got rid of the majority of the small schools, and the new institutions are larger than everyone (including the minister) had expected (e.g. twenty of the fifty new institutions will have an enrollment of more

than 4000 students).

Table 2: The state of the merger-process by August 1986

I Merged institutions

Number of institutions:	Size:	Total number of students:	In %:
7	> 8000	73.761	36.9
19	2500-8000	82.230	41.1
17	750-2500	23.483	11.7
2	600-750	1.350	0.7
2	< 600	941	0.5
47		181.765	90.9

II Non-merged institutions

15	TTC	< 250	2.370	1.2
7	TTC	> 250	2.389	1.2
9	OII	< 600	3.470	1.7
11	OII	> 600	10.019	5.0
42			18.248	9.1

Source : Draft temporary HBO-plan 1987-1990, Ministry of Education and Science, September 1986

Note: TTC = Teacher Training College
OII = Other Independent Institution

The processes were not controlled by the minister himself, but they were supervised by the Higher Vocational Education Council. This sector-representative Council published a final report on the merger processes in October 1985. The minister adopted this report in December 1985. Most of the mergers came into force in August 1986.
Since August 1st 1986 the sector has its own Higher Vocational Education Law. This new law encompasses not only the mergers, but also a new financing system. Higher Vocational Education institutions are under this law rather autonomous concerning their educational policy. They will receive their (annual) budgets as lump sums of which the height will be related directly to the enrollment and the output (the

number of graduates).

Now that the merger-processes are almost finished, the other two elements of the STC-operation have to be implemented: task-allocation and concentration. Several parts of the sector have an overcapacity: teacher training, art academies, and the paramedical courses (with the exception of nursing). The remainder of the STC-operation will not surprisingly be concentrated on these trainings (Goedegebuure, 1987; Kickert, 1986).

6.1.3. HOAK (Higher education, autonomy and quality)

The restructuring operations in Dutch higher education cannot be seen as the major impetus behind the current discussion about quality control, self-evaluation and the autonomy of higher education institutions. Several authors (e.g. Gevers, 1985) have stressed the fact that this discussion got into its stride after the publication of the ministerial note 'HOAK' (Higher education, autonomy and quality). So, before analyzing the contradictions in the restructuring operations, we first want to describe the major elements of HOAK.

In the HOAK-note (published October 1985) the minister made several propositions concerning a change in the steering of the Dutch higher education system. The propositions referred to:

1. The introduction of a new coherent planning system, directed at strengthening institutional autonomy;
2. an enlargment of the educational autonomy of institutions;
3. further details of a quality control system;
4. an enlargement of the connection of the university sector, the higher vocational education sector and the Open University.

The propositions were based on the conclusion that the present steering of higher education showed a number of shortcomings with respect to its effectiveness:

1. the steering is not enough global, it is directed at units that are too small;
2. because of what is concluded under 1. a number of instruments is not working optimally;
3. the responsibility of institutions for their education does not come out well;
4. the evaluation and control of the quality of education did not take enough shape.

The minister stated to improve the effectiveness by:

1. making the steering of higher education more global;
2. emphasizing the own responsibility of institutions;

3. designing an adequate quality control system;
4. realizing a better mutually attuned set of instruments.

It is clear that the minister wants to steer the higher education system from a greater distance. No longer an ex ante control on educational affairs within institutions, but an ex post evaluation of the quality of higher education (Kickert, 1986).
It should be noted, however, that the minister refused to commit himself principally to the proposition that government should steer higher education in all circumstances from a distance. Government must be able to intervene whenever it feels it is necessary.
On the basis of the considerations mentioned above a self-regulating higher education system is pursued (HOAK, 1985, p. 11). According to the minister the conditions for realizing a self-regulating higher education system are:

1. Institutions must be able to develop their own profile. Impediments in the relationship between government and institutions in this matter must be removed;
2. The internal institutional management must function in such a way that the institutional profiling can take shape;
3. The relationship between government and institutions will be characterized, more than ever before, by communication and interaction.

In this new relationship between government and higher education institutions an important role is reserved for quality control and institutional self-study. The character of governmental control has changed from preventive to repressive.
We will now look at the ideas of the minister concerning the roles the various higher education actors should play in quality control and institutional self-evaluation, in the light of the HOAK proposals.

6.1.3.1. Quality control and evaluation

In the HOAK-note the minister has outlined the roles various actors in Dutch higher education should play in a quality control system. The quality control system should be shaped by using various forms of evaluation. Each of the distinguished actors should be responsible for a specific evaluation aspect.

According to the minister:
- Higher education itself has to set up its own quality control system. This system should take into consideration the three levels that can be distinguished within each institution: the section, the

faculty and the institution as a whole. The minister states that performance indicators should play an important role in institutional quality control.

- The customers of higher education 'products' (i.e. graduates, research and services) should get more involved in the evaluation of higher education. The minister, however, has not yet come up with detailed plans how to realize this.
- Government is responsible for the soundness of the education that it finances. Higher education institutions are responsible for the evaluation of their educational processes, but next to that government is in need of evaluation, conducted independent of the institutions. On behalf of Dutch government an inspectorate will organize and supervise this independent evaluation. The work of the inspectorate should be seen as supplementary to the evaluation activities of the institutions. The institutions are obliged to publish in their biennial development plans the organization and results of their evaluation activities. Government will publish regular, at the suggestion of the inpectorate, an evaluation plan. This plan contains the governmental evaluation activities. This plan will also give attention to:
  - reporting on recent evaluations;
  - conclusions concerning recent evaluations;
  - plans as regards to periodical and specific evaluation.

The actual evaluation on behalf of government will be conducted by so-called visitation committees. These independent expert committees will be established on the basis of the evaluation plan. The visitation committees will evaluate complete institutions as well as disciplines. The biennal institutional development plans will guide as a standard measure for the evaluation activities of the committees. The inspectorate will be the administrative and organizational focus of the visitation committees and inspectors will sit on these committees. All evaluation plans and reports will be public.

Government expects institutions to take measures as a consequence of positive or negative outcomes of evaluations. If an institution fails to take measures, government will have to take them: positive (e.g. specific incentives) as well as negative (sanctions) measures.

Sanctions will be imposed according to the following procedure:

- give an institution a public warning;
- announce the stopping of the financing by government of relevant parts of an institution or of an institution as a whole in case no corrections are made;
- control if the institutional measures are effective;
- supply the institution with a so-called 'negative statement of financing' resulting in the stopping of the financing of the

relevant provision.
These measures will only be taken after consultation with the institution in question.

6.2. Contradictions in Dutch higher education

In the HOAK-note government has established that the present way higher education is steered is no longer adequate. The current problems of higher education can not be solved by state regulations. As a consequence of this the minister of education and science proposes a greater institutional autonomy, especially concerning educational matters.
What do the intentions of the minister mean in the light of the contradictions to be observed and in the restructuring operations and in proposed change as regards to the steering of higher education?
The two-tier structure can be regarded as an important curtailment of the autonomy of universities with respect to the organization of their courses. Also the TVC and SKG operations were an attempt of the minister to interfere with the day-to-day operations of universities. Till the TVC operation retrenchments in the university sector were always carried out by changing the financing standards (the costs per student e.g. declined 33% between 1980 and 1986). No minister meddled with educational matters concerning content.

TVC (and SKG) were a change as regards to the reserve of the minister to interfere in educational matters concerning content. Although the original intentions of the minister with respect to task-allocation and concentration in the Dutch university sector were not realized, it is clear that the university world was shocked by the proposed structural changes of the sector. It is also clear that the ideas of the minister concerning the future of the university sector in the Dutch higher education system have not yet been opposed by a clear answer or alternative formulated by the universities.

The present situation looks not very rosy for Dutch universities. The minister wants them to become more market oriented, but they have in this respect an arrears compared to the higher vocational education sector which is traditionally more market oriented than the university sector. And in contrast to the operations in the university sector the STC operation seems to have strengthened the higher vocational education sector. The institutions in the latter sector seem to have developed into serious competitors for the universities.
In this situation it is necessary for universities to try to develop

their self-regulatory capacity. And although the HOAK-nota contains also some important contradictions (more institutional autonomy together with more structured governmental control), the intention of the minister to grant the insitutions more autonomy should be used by universities to strengthen their position. Quality control systems within institutions should not be designed for accountability purposes, but for improvement purposes. Only by developing sound improvement oriented self-describing and self-reproduction processes universities can stay serious competitors on the Dutch higher education market.

What is the practice of institutional self-study in the Netherlands? Until recently Dutch higher education institutions only had informal systems of quality control. The publication of the HOAK-note was the starting-point for a lively and rather fundamental discussion about formal quality control systems within institutions. In this discussion the VSNU (Assocation of Cooperating Dutch Universities, the successor of the Academic Council) and the so-called RWO centres (centres for the research of scientific education; each university has its own RWO centre) are playing an important role. The VSNU as a consultative body of the Dutch universities has its own self-study committee. This committee is still in its starting-phase.
Various RWO centres have developed evaluation systems, e.g. the RWO centre of the Agricultural University of Wageningen (Muggen, 1985). The best known system in this respect is the AMOS-system of the Free University of Amsterdam. AMOS stand for Analysis Model pertaining to th quality of Education within Faculties. It is a model developed on the request of the Governing Board of the Free University.
The model contains evaluation questions concerning the following aspects:

- study progress in 'propedeuse' and in the doctoral part of a course,
  specified with respect to year of course and main subject;
- regulations concerning final tests and the 'propedeuse'-exam;
- steering, monitoring and adjustmetn of the educational learning process.

The results of AMOS are used as a starting point for discussions between the institutional central administration and the faculteis (Drenth, and other, 1986). These results are centrally registered and evaluated. A steering committee i set up to guide further control and improvement of educational processes and outcomes. This committee consists of a member of the Governing Board, a member of the RWO centre of the university, and a member of the planning office of the university.

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It is very interesting to see that this system has been accepted by the faculties. This is due to the careful introduction of the system and the continious deliberation with the faculties about the system. It is stated that a successful implementation of a system like this makes external evaluation under the auspices of an inpspectorate less necessary (Drenth, and other, 1986).

7. Conclusion

In a stable and protected state regulated higher education system there seems to be no obvious need for self-regulation. Government finances higher education and everyone assumes that the quality of education and research is high. Only informal quality control systems exist. When this situation changes, e.g. as a consequence of the necessity to cut government budgets, the problem of steering will come up. In such a situation there will be a more urgent need for organized decision-making. Government, however, is not able to answer this problem adequately, and the institutions traditionally do not know how to answer this problem. When government establishes that it is not able to answer the problem, it will probably propose an enlargement of the institutional autonomy. It depends on the capacity of the institutions and especially of the institutional management to deal with this chance for more autonomy in a correct way, because government will at first enlarge the autonomy of institutions only by speech and not in reality (as is the case in the Federal Republic of Germany). In such a situation 'civil disobedience' of the institutions will probably be rewarded.

Steering of a higher education system should be based on the self-describing and self-reproducing activities of higher education institutions. When a central state authority comes to such a conclusion it should direct its attention at the stimulation of the self-describing and self-reproduction capacity of institutions and not at trying to control higher education at every level and in all details (as is the case in the Netherlands).

Higher education in various European countries will benefit from a development into the direction of self-steering/self-regulation, but only if the various governments are stimulating and not controling or repressing this development.